



**MINUTES OF SPECIAL JOINT MEETING OF THE
CITY COUNCIL/ REDEVELOPMENT AGENCY
OF THE CITY OF HAYWARD**
City Council Chambers
777 B Street, Hayward, CA 94541
Tuesday, May 28, 2002, 8:00 p.m.

MEETING

The Special Joint Meeting of the City Council/Redevelopment Agency was called to order by Mayor/Chair Cooper at 8:00 p.m., followed by the Pledge of Allegiance led by Council/RA Member Jimenez.

ROLL CALL

Present: COUNCIL/RA MEMBERS Jimenez, Hilson, Ward,
Dowling, Henson
MAYOR/Chair Cooper
Absent: COUNCIL/RA MEMBERS Rodriquez

Mayor Cooper reported that Council/RA Member Rodriquez was out of town.

PRESENTATION: Recycling Poster and Essay Contest Award

Mayor Cooper thanked all for coming to the meeting and explained that this is the 19th Annual Cleanup Campaign and there were more than 800 contest entries from twenty-six schools. Council Member Hilson, Chair of the Council's Environment Committee, introduced the program and acknowledged the numerous business partners for their generous donations of gift certificates to Southland Mall. He thanked Hayward Area Recreation District and St. Rose Hospital for their involvement towards this effort. He thanked the judges who were representatives of the Hayward Arts Council for their expertise and for selecting the winners.

Council Member Hilson also acknowledged staff and other members of Council's Environment Committee: Council Members Olden Henson and Kevin Dowling. He noted the selection committee that included Ed Mullins from the Hayward Chamber of Commerce, Public Works Director Butler and his staff, Sharron Bowen, Kathleen Beebe, and Marilyn Mosher as well as staff from the Water Pollution Source Control Division. Mayor Cooper and Council Member Hilson presented the awards to the student art poster and essay winners. Mayor Cooper then drew a name for the grand prize of a \$500 gift certificate that was won by Sunny Rama of Mt. Eden High School, who also was awarded second place in the Grades 9 through 12 Category of the Essay Contest.

PROCLAMATION: June 1-9 as Affordable Housing Week

Mayor Cooper read the proclamation that acknowledges the efforts of East Bay Housing Organizations and similar organizations to make aware the need for affordable housing and the

contributions of affordable housing and encouraged all to participate in activities held to mark this observance. She presented it to Marian Gushiken, Assistant Development Director of Eden Housing, and former City employee, who thanked the Council for the proclamation as well as noted some of the activities that will occur. She appreciated Council support and indicated that new communities are directed to review this City's consistency.

PUBLIC COMMENTS

Al Reynolds thanked all those concerned for his daughter's health and noted that he and his wife are celebrating their 45th wedding anniversary. He also acknowledged City Manager Armas for his excellent report on the damage to the City Hall as a result of the adjacent structural fire.

Barbara Swarr commented against the City's purchase of the former Albertson's building, the City's efforts to see it occupied, as well as individual property rights.

Frank Goulart reported that at the recent Neighborhood Alliance meeting, there was a discussion on the proposed grade separation at five corners and its impacts to the I 238 Corridor. He noted that the next meeting will be held on June 15 regarding the Hayward Library System with Bill Quirk of the Library Commission to discuss, "Inventing the Future for the Hayward Library."

Jason Moreno spoke in favor of John Gilbertson and his efforts to improve his neighborhood.

CONSENT

Items 6 and 7 were removed for discussion.

1. Approval of Minutes of the City Council Meeting of May 21, 2002

It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried, with Council Member Rodriquez absent, to approve the minutes of the City Council of May 21, 2002.

2. Downtown Business Improvement Area Annual Report, Proposed Budget for Fiscal Year 2002-2003 and Setting Public Hearing for June 18, 2002

Staff report submitted by Redevelopment Manager Maret Bartlett, dated May 28, 2002, was filed.

It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried, with Council Member Rodriquez absent, to approve the following:

Resolution 02-067, "Resolution Accepting Annual Report and Declaring Intention to Levy Annual Charges for the Downtown Hayward Business Improvement Area for the Fiscal Year 2002-03 and Providing for Notice of Hearing Thereon"



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3. Recommended Appointments to the System Advisory Board of the Bay Area Library and Information System

Staff report submitted by Library Director Marilyn Baker-Madsen, dated May 28, 2002, was filed.

It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried, with Council Member Rodriquez absent, to approve the following:

Resolution 02-068, "Resolution Confirming the Appointment of Members to the System Advisory Board of the Bay Area Library and Information System"

4. State Bicycle Transportation Account Application: Authorization to Submit Grant Application and Execute Funding Agreement

Staff report submitted by Deputy Director of Public Works Bauman, dated May 28, 2002, was filed.

It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried, with Council Member Rodriquez absent, to approve the following:

Resolution 02-069, "Resolution Authorizing the City Manager to Submit a Grant Application and Execute a Funding Agreement with the State Bicycle Transportation Account Program and Certifying the Availability of Funds Sufficient to Satisfy the Required Ten Percent Match"

5. Authorization to Submit Safe Routes to Schools Grant Application

Staff report submitted by Deputy Director of Public Works Bauman, dated May 28, 2002, was filed.

It was moved by Council Member Ward, seconded by Council Member Henson, and unanimously carried, with Council Member Rodriquez, to approve the following:

Resolution 02-070, "Resolution Authorizing Submission of a Grant Fund Application to the Safe Routes to Schools Program; Committing to Provide the Required Ten Percent Project Matching Funds; and Authorizing City Manager to Execute Documents"

6. Deconstruction of Vacant Properties on Site 4: Award of Contract and Appropriation of Funds

Staff report submitted by Redevelopment Director Maret Bartlett, dated May 28, 2002, was filed.

Barbara Swarr commented on the families and businesses that were impacted and noted that two of the homes on Site 4 were the residences of former city officials. She commented on the future.

Council/RA Member Jimenez indicated that Manuel Riggs was the Fire Chief and Louie Silva was the Police Chief who lived in two of the homes that are to be deconstructed.

Sheila Junge spoke on the use of low-moderate funds for purchasing the properties even though there is no low or moderate-income housing projected for this site. She urged Council to include a substantial portion of low-moderate income housing on Site 4.

Frank Goulart spoke on the architectural and historic value of the buildings on the site. He commented on the life of the former Fire Chief who lived in one of these houses. He gave further information on the architectural and historical value of these homes and commented that these homes were missed on the historic surveys of the downtown area.

Council/RA Member Henson asked whether the Hayward Historical Society took a look at the area for historical significance.

Executive Director Armas indicated that staff simply made them aware of the properties under consideration. There was no historical information identified.

Council/RA Member Ward said he was pleased to see that activity on this site is described as "deconstruction" as the materials will be recycled.

It was moved by Council/RA Member Ward, seconded by Council/RA Members Hilson and Henson, and unanimously carried, with Council/RA Member Rodriguez absent, to approve the following:

RA Resolution 02-06, "Resolution Amending Resolution No. RA 01-10, the Budget Resolution for the Redevelopment Agency of the City of Hayward for Fiscal Year 2001-2002, Relating to a Supplement Appropriation for Deconstruction of Site 4"

7. Award of Paratransit Services Contract to Friendly Transportation Company

Staff report submitted by Social Services Planning Manager Korth, dated May 28, 2002, was filed.

Jason Moreno reported that in talking to some senior citizens, scheduling seemed to be a problem that impacted necessary appointments. He asked for the contact person when this occurs.



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City Manager Armas indicated that David Korth of CED is the contact person and that the firm has acquired a scheduling and dispatch software to facilitate pick-ups and eliminate this problem.

Council Member Dowling said his parents are frequent users of this program and thanked staff for their care in this regard.

Council Member Jimenez asked whether the drivers were unionized. He was told they are.

It was moved by Council Member Dowling, seconded by Council Member Henson, and unanimously carried, with Council Member Rodriguez absent, to approve the following:

Resolution 02-071, "Resolution Authorizing the City Manager to Execute an Agreement with Friendly Transportation, Inc., to Provide General Paratransit Services in Fiscal year 2002-03 with Option to Renew the Contract for up to Two Consecutive Additional Years Depending on the City's Satisfaction with the Contractor's Performance and the Availability of Funds"

LEGISLATIVE BUSINESS

8. Enhanced Drug Enforcement Efforts

Staff report submitted by Deputy Chief Houghtelling, dated May 28, 2002, was filed.

Police Chief Calhoun made the presentation referring to the data submitted in the report. He noted the proposals that increase enforcement and staff, which would create a greater presence in the community by using a mobile sub office, and which involve crime stoppers, as well as re-establishing the narcotics unit. He described the gun exchange program that is scheduled. He responded to Council questions related to gang activity, improved community involvement including schools, the efforts of the crime stoppers and the faith-based organizations, the rental housing owners program, and budget concerns. These efforts and issues are part of the community-policing program. The Council commended Chief Calhoun and the Department. It was requested that the community meetings schedule be distributed to Council. It was also suggested that various media be used to promote these increased efforts. Chief Calhoun indicated that the focus has to be on both the drug buyer as well as the seller. There was discussion on the efforts to abate drug houses. Chief Calhoun commented that there are a number of laws that would affect a property owner. City Manager Armas noted that good tenants are helpful as well. He then commented that money has been budgeted to continue after school activities. He added that staff is hoping to expand the programs during the next budget cycle.

Mayor Cooper discussed various police officer activities and programs that were highly recommended such as the 'rookie ball' program, developed by one specific officer. She commented that police officers need to be perceived as people who care about the community and become involved beyond their regular hours. She then mentioned the safety of the witnesses in some kind of a protection program.

City Attorney O'Toole discussed drug dealings where there is direct involvement with the leaseholder or tenant who then can be evicted. He commented on the difficulty of evicting tenants who are neither dealers nor users themselves but related in some way.

Mayor Cooper opened the public hearing at 9:40 p.m.

Jason Moreno commented that public officials should acknowledge the existence of real crime in their cities. He commented on the department's withdrawal from the Southern Alameda County Gang Task Force. He noted that a number of cities are funding this program.

Mayor Cooper closed the public hearing at 9:43 p.m.

There was no action taken by Council.

9. Establishment of a Community Facilities District (CFD)

Staff report submitted by Finance and Internal Services Director Carter, dated May 28, 2002, was filed.

Finance and Internal Services Director Carter made the staff report and discussed the development of the district. He noted that \$12.3 million in bonds would be issued. He gave an overview of the procedures involved in this program.

Council Member Ward asked why the use of Mello-Roos legislation was being supported by the City of Hayward.

Finance and Internal Services Director Carter said it provides an ultimately lower cost to the consumer. Also the City of Hayward is able to access the government bond market, which is an advantage. A CFD is more flexible than a regular assessment district.

City Manager Armas noted that lighting and landscaping assessment districts frequently relates to maintenance, but this is for capital improvement and it is contractual. The seller would need to disclose to a future buyer that they are under the obligation for the debt service.

Council Member Henson asked Finance and Internal Services Director Carter about the disadvantages of creating this sort of district. Mr. Carter told him that the CFD is a little more flexible. He then noted that if the parcel holders were not to meet the assessment, a foreclosure is necessary. He commented that there would also be a reserve as part of the borrowing. He asked



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why the special tax consultant computed the assessment on a per-acre versus parcels basis. Finance and Internal Services Director Carter said the amount of assessment is merely a method of spreading the costs. He also commented that a 2/3 approval of the property owners is necessary.

Council Member Jimenez asked why this is needed.

City Manager Armas discussed the history of this process noting that this will provide access to a lower cost of money and facilitate a lesser amount, due to current economy this is necessary. He noted that it is no different from the establishment of the water district in the Garin area. Council has to take action today so that the public hearing and the election by the property owners can take place on July 9, 2002.

Council Member Hilson expressed reservations and opposition to this measure and commented that the League of California Cities Department of City Attorneys expressed extreme opposition to getting involved the use of Mello-Roos methods since they foresee the cities having to adopt the full funding.

City Manager Armas explained that a number of years ago that might have been the case. However, since then there have been a number of regulations devised to protect and assure that there is an underlying value to the land. The second protection is that this is not putting the City's credit rating or its financial future at risk. The Official Statement that will ultimately have to be issued will alert sophisticated investors that the risk is a private matter, not one involving the credit or the financial resources of the City of Hayward.

Council Member Hilson asked how the payments would be financed if the City of Hayward is put in a position to foreclose on the assets of the property owners.

City Manager Armas explained that the value computed by the appraiser applies only to the land with the physical improvements of the infrastructure in place. Were this to reach a default, the investors would reach to redeem their investment on their own. The City is not involved in it in any way. He then explained that this applies only to the east side and not the residential portion on the west side.

Council Member Hilson asked whether the lower costs would be passed on to the buyers. Residential owners will not derive benefits.

City Manager Armas suggested that the buyer would factor the value of the land and the recurring debt into a proposed price. He noted that this is really carrying out the specific plan.

Council Member Hilson commented that he did not see that this is going to facilitate anything

while at the same time it places the City in a financial risk.

Council Member Dowling asked whether Standard Pacific considered this on the residential side of the property.

City Manager Armas said it was discussed however, they determined that it was not appropriate for the residential area.

Council Member Dowling was told that the City costs would be paid for. He was then told about the new guidelines used so that the City was protected even further.

As there was no one to speak, Mayor Cooper opened and closed the public hearing at 10:07 p.m.

Council Member Henson commented that he had been unaware that this was relative only to the commercial part. He noted that he was satisfied with the explanations that Council had been given. He then moved adoption of the attached resolutions.

Council Member Jimenez asked that it be made clear that this does not apply to the residential.

City Manager Armas noted that this would not be listed on the Property Tax billing.

It was moved by Council Member Henson, seconded by Council Member Ward, and carried, by the following roll call vote to adopt two resolutions:

Resolution 02-072, "Resolution of Intention to Establish a Community Facilities District"

Resolution 02-073, "Resolution of Intention to Incur Bonded Indebtedness"

AYES: Council Members Jimenez, Ward, Dowling,
Henson

MAYOR Cooper

NOES: Council Member Hilson

ABSENT: Council Member Rodriguez

ABSTAINED: None

COUNCIL REPORTS

There were no Council Reports.

ADJOURNMENT

Mayor Cooper adjourned at 10:11 p.m.

APPROVED:

DRAFT



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Roberta Cooper, Mayor, City of Hayward
Chair, Redevelopment Agency

ATTEST:

Angelina Reyes, City Clerk, City of Hayward
Secretary, Redevelopment Agency